



**THE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION  
LUCKNOW**

**ORDER**

**Order No. 1 of 2025 – In the matter of Electricity Supply Code – 2005  
(Power to Remove Difficulties)**

Whereas the U.P. Electricity Supply Code, 2005, henceforth referred to as "the Code", came into force vide Gazette Notification No. 4528 dated 18.02.2005.

And whereas the U.P. Electricity Supply Code, 2005 (Ninth Amendment) was notified on 25<sup>th</sup> August 2017, in exercise of powers conferred by section 50 of the Electricity Act, 2003 and the provisions of the Electricity Supply Code, 2005 and all other enabling powers in this behalf.

And whereas the additional proviso under sub-clause (k) of Clause 4.9 Part A, added vide the Ninth Amendment provides that:

- (a) *"For the purpose of electrification in undeveloped/ un-electrified colonies within or adjoining any urban area whose distribution network has not been developed by the developer, it is provided that the distribution licensee shall develop the necessary distribution network to facilitate connections in such colonies, for which a scheme shall be prepared by the licensee. To meet the cost of development of distribution network a sum of Rs. 35 per square feet of the plot size shall be charged by the licensee. This scheme will be implemented in those colonies where 25% of plot owners have built their houses and out of these 25% plot owners, 50% residents would have deposited the development charges @ Rs. 35 per square feet of their plot size in one lump sum or in installments, as per the scheme envisaged by the licensee. The development charges shall also be payable by those plot/houseowners who have taken the connections through temporary arrangement. For the development of the network, the HT lines shall be built on STP and*

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*LT Lines on PCC Poles.*

*If the total cost of electrification of the colony is not recovered by the licensee through payments of @Rs. 35 per square feet, the remaining amount can be recovered by the licensee as Capex in the ARR.*

*This scheme would not be applicable in the colonies developed by Development Authorities/ Housing Boards as the charges for developing the electrical infrastructure is already included in the price charged by these organizations for the plots."*

And whereas UPPCL has submitted a proposal dated 27.04.2024, in this regard citing the mandate provided in Rule-3 of the Electricity (Rights of Consumers) Rules, 2020 which states that:

***"Rights and Obligations-*** *It is the duty of every distribution licensee to supply electricity on request made by an owner or occupier of any premises in line with the provisions of Act. It is the right of consumer to have minimum standards of service for supply of electricity from the distribution licensee in accordance with the provisions made in these rules."*

And whereas UPPCL has further highlighted that providing the electricity connections in the undeveloped/ un-electrified colonies is not possible under the present provisions if fewer applicants apply for the electricity connection.

And whereas the detailed submission made by UPPCL dated 27.04.2024 for the electrification in undeveloped/ un-electrified colonies proposes two methodologies for the electrification work, first is applicable where the number of applicants for any such colony is less than or equal to 10 and second when the number of applicants is above 10. The two methodologies differ only in respect to the quantum of infrastructure that shall be developed by the licensees.

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And whereas in both these methodologies the applicant for an electricity connection was required to pay a development charge @ Rs. 35 per sq. ft. of their plot size bunched in lots of 500 sq. ft. and multiples thereof or @ Rs. 17500 per kW of applied load, whichever is higher. The scheme also provided for load eligibility of 1 kW per 500 sq. ft. or part thereof of the plot size. Thus, an applicant with 2350 sq. ft. plot size would have load eligibility of 5kW (500x4+350x1).

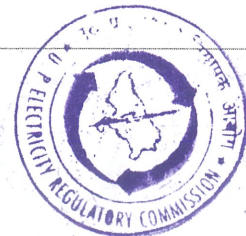
And whereas the submitted scheme also proposed that if the applicant of such colony applied for an increase in his contracted load or his maximum demand exceeded the contracted load, within one year from the date of issue of the connection, he would be required to pay additional development charge @ Rs. 17500 per kW or part thereof of additional load beyond his eligible load based on the plot size calculated as above. The scheme further proposed an automatic increase of 7% in the development charges in every financial year.

And whereas the submitted scheme also provided for developing facility on licensees' website (Jhatpat Portal) for the Online application of electricity connections and creating a separate accounting head on ERP for ensuring proper accounting. It also proposed making provisions in its billing software to identify the connections released under this scheme.

And whereas the scheme entailed releasing connections under tariff categories LMV-1, LMV-2, LMV-4 and LMV-6. The scheme also involved separate colour coding to be done on the electrical equipments of such colonies for identification and maintaining the records of such colonies at the Division level. Proposed scheme provided for using PCC poles even for 11 kV lines.

And whereas the Commission observed that the development charge @ Rs. 35 per sq. ft., to be charged by the licensee was provided by the Ninth amendment notified in August 2017 and the cost of various equipments have undergone substantial increase since then. A comparison of the costs of equipments having major share in the cost of distribution networks is as follows:

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S. No.	Description	Unit	Cost* as per UPPCL Stock Issue Rates 2017 (Rs.)	Cost* as per UPPCL Stock Issue Rates 2024 (Rs.)	Percentage Increase or (Decrease)
1	2	3	4	5	6
1	11 M ST Pole	No.	12594	20356	61.63
2	8.5 M PCC Pole	No.	2623	3243	23.63
3	ACSR Weasel Conductor	Meter	19	30	57.89
4	ACSR Dog Conductor	Meter	65	99	52.30
5	LT AB Cable (3x95 +1x70+1x16) sq. mm	Meter	225	328	45.77
6	11/0.4 kV, 400 kVA Transformer	No.	555407	981584	76.73
7	Transformer 33/11 kV, 5 MVA	No.	3130510	5059933	61.63
8	LT XLPE Cable 3.5x240 mm <sup>2</sup>	Meter	605	899	48.59

\* Rounded off to the nearest Rupee.

And whereas the above comparison which has been drawn between the Stock Issue Rates of 2024 and the Stock Issue Rates of 2017 shows an escalation in cost ranging from 23.63% to 76.73% with majority of items depicting more than 50% increase in cost.

And whereas the development of electrical infrastructure of various housing colonies is also done by various Development Authorities/Housing Boards, the schedule of charges for development of electrical infrastructure were also obtained from Yamuna Expressway Industrial Development Authority (YEIDA), Greater Noida Industrial Development Authority (GNIDA) and also U.P Awas Evam Vikas Parishad to have a comprehensive view of the costs being incurred on such works by these organizations.

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And whereas according to the schedule of charges shared by these Development Authorities/Housing Boards for the year 2023-24, the cost for development of internal as well as external electrical infrastructure for residential and commercial areas comes out to be Rs. 86.62 per sq. ft. for GNIDA, Rs. 89.49 per sq. ft. for YEIDA and ranging from Rs. 90.80 per sq. ft. to Rs. 202.11 per sq. ft. for three different townships developed by U.P. Awas Evam Vikas Parishad.

And whereas the Ninth amendment mandates that the distribution licensee should develop the necessary distribution network for such colonies but at the same time a distribution licensee needs to be compensated for the Capex required for such electrification works which have been left undeveloped by the land developer.

And whereas the Commission finds that the proposal of UPPCL dated 27.04.2024 provides for double charging in form of bunching the plot size in lots of 500 sq. ft. and multiples thereof and further levying the development charge not only @ Rs. 35 per sq.ft. of such bunched plot sizes but also @ Rs. 17500 per kW of the applied load, which is unacceptable since the dispensation provided in the Ninth Amendment of the Electricity Supply Code, 2005 simply allowed the licensee to charge development charge @ Rs. 35 per square feet solely on the plot size for the development of distribution network.

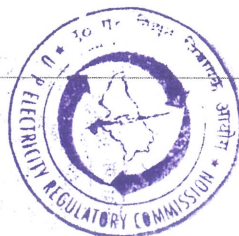
Now, therefore, the UP Electricity Regulatory Commission in exercise of its powers conferred by Section 50 of the Electricity Act, 2003 and clause 9.5 of the Code i.e. Power to Remove Difficulties and all other enabling powers in this behalf hereby makes this Order namely:-

**1.0 Short Title and Commencement:**

- a. This Order may be called the Electricity Supply Code – 2005 (Removal of Difficulty), first order, 2025.
- b. It shall come into force from the date of its issue.

2.0 Clause 4.9(k) Part A inserted by Ninth Amendment shall be amended to the following extent:

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- A) In view of the mandate provided in Section-43 of the Electricity Act, 2003, Clause-3 of the Electricity (Rights of Consumers) Rules, 2020 and also the submission made by UPPCL that providing the electricity connections in such colonies is not permitted under the current provisions if fewer applications are received, the Commission decides to do away with the requirement of "25% of plot owners have built their houses and out of these 25% plot owners, 50% residents would have deposited the development charges" for the scheme envisaged under clause 4.9(k) Part A of the Supply Code, 2005.
- B) Based on the scheme submitted before the Commission by the Discoms in July 2017, the revised submission by UPPCL vide its letter No. 155/RAU/Supply Code dated 27.04.2024 and also the spirit of the Ninth Amendment, the Commission provides the following broad guidelines: -
- (i) Based on the factual matrix provided in the preceding paragraphs and with a view to provide a reasonable support to the licensee, the Commission has decided to update the development charge to Rs. 70 per sq. ft. of the plot size. Therefore, to meet the cost of development of the distribution network of such un-electrified colonies, the owner or occupier of plot/house/building/property shall be required to pay one-time development charge @ Rs. 70 per square feet of their plot size, in one lumpsum, irrespective of the load or category applied for, at the time of application for electricity connection along with other applicable charges. This development charge shall be payable only once for the first electricity connection released against any plot/house/building/property and no development charge shall be payable against additional connection(s) or enhancement of load etc. Moreover, the updated development charge shall only be levied prospectively, and no difference shall be charged from the consumers of such colonies who have previously taken regular connections paying development charges @ Rs. 35 per sq. ft.

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(ii) After each year from the date of roll-out of the scheme, an escalation equivalent to change in WPI of preceding 12 months shall be allowed on the current rate to compute development charge applicable for the subsequent year.

(iii) The development of the infrastructure may be carried out by the licensees either in a single phase or in multiple phases as per the site requirement. However, development of electrical infrastructure would not entitle the owner or occupier of plot/house/building/property of such colonies to claim the benefit of reduced distance from such nearest distribution mains and he shall be required to deposit the development charge provided under the scheme.

(iv) The above development charge shall be in addition to any other charges specified in the prevailing Cost Data Book for obtaining an electricity connection and shall be payable over and above this charge. However, consumer of such colonies, after payment of the requisite development charge, shall be treated as if existing within 40 meters from the distribution mains and no variable line charges shall be chargeable to them.

(v) The development charge shall also be payable by those plot/house/property owners/occupiers of such colonies who have previously taken the connection through temporary arrangement.

(vi) The applicant for the temporary electricity connection (LMV-9) in such colonies shall also be required to deposit the development charge at the above-mentioned rate. However, he shall not be required to deposit the development charge in future, whenever he applies for the permanent connection.





(vii) Electricity connections under tariff categories LMV-1, LMV-2, LMV-4, LMV-6 and LMV-9 can be released under this scheme.

(viii) For the development of the distribution network of such colonies, the HT lines shall be built on STP and LT lines on PCC Poles preferably using AB cables to avoid theft.

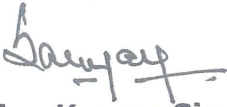
(ix) Separate colour coding shall be provided on the electrical equipments of such colonies for clarity to the officers of the licensee thereby ensuring that each owner/occupier of such colony deposits the development charge. Separate records for such colonies shall be maintained at the Division level.

(x) Licensee shall provide facility on its website for the Online application of connections in such colonies. The licensee shall also make provisions in its billing software to identify the connections released under this scheme.

(xi) The licensee shall create a separate accounting head on ERP for ensuring proper accounting of the development charges received and also the expenditure made under this scheme. These details shall also be provided separately in the ARR.

(xii) This scheme shall not be applicable in the colonies developed by Development Authorities/ Housing Boards as the charge for developing the electrical infrastructure is already included in the price charged by these organizations for the plots.

(xiii) All other provisions of the scheme shall remain unchanged.

  
(Sanjay Kumar Singh)  
Member

  
(Arvind Kumar)  
Chairman

Place: Lucknow

Dated: 27 .02.2025

